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EXHIBIT 3

MUNICIPAL SECONDARY MARKET DISCLOSURE INFORMATION COVER SHEET

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board and Nationally Recognized Municipal Securities Information Repositories (NRMSIRS) pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

Issuers' and/or Other Obligated Person's Names:

California Health Facilities Financing Authority, California
Adventist Health System/West (CHFFA)
California Statewide Communities Development Authority
Adventist Health System/West (CSCDA)
Multnomah County Hospital Facilities Authority
Roseville Finance Authority

CUSIP Numbers:

CSCDA AHS/W 2007	CHFFA 2013A – cont.	CHFFA 2016A – cont.	CSCDA 2018A – cont.
Series A 1307957C5	13033LR66 13033LS40	13032UFU7 13032UGE2	13080SVW1 13080SWH3
CHFFA AHS/W 2009	13033LR74 13033LS65	13032UFV5 13032UGF9	13080SVX9 13080SWJ9
Series B 13033LBC0	13033LR82 13033LS57	13032UFW3 13032UGG7	13080SVY7 13080SWK6
CHFFA AHS/W 2009 Series C	CSCDA AHS/W 2015 Series A	13032UFX1 13032UGH5	13080VZ4
13033F7Z7 13033F8B9	13080SHW7 13080SJF2	13032UFY9 13032UGJ1	Roseville Finance Authority
13033F8A1	13080SHX5 13080SJG0	13032UFZ6 13032UGK8	2017 Series B
Multnomah County, OR 2009A	13080SHY3 13080SJH8	13032UGA0 13032UGL6	77781PDD6 77781PDN4
62551PBQ9 62551PBS5	13080SHZ0 13080SJJ4	13032UGB8	77781PDE4 77781PDP9
62551PBR7	13080SJA3 13080SJK1	CSCDA AHS/W 2018 Series A	77781PDF1 77781PDQ7
AHS/W Taxable 2013	13080SJB1 13080SJN5	13080SVP6 13080SWA8	77781PDG9 77781PDR5
07944AC5	13080SJC9 13080S JL9	13080SVQ4 13080SWB6	77781PDH7 77781PDS3
CHFFA AHS/W 2013 Series A	13080SJD7 13080SJP0	13080SVR2 13080SWC4	77781PDJ3 77781PDT1
13033LR25 13033LS73	13080SJE5 13080SJM7	13080SVS0 13080SWD2	77781PDK0 77781PDU8
13033LR33 13033LR90	CHFFA AHS/W 2016 Series A	13080SVT8 13080SWE0	77781PDL8 77781PDV6
13033LR41 13033LS24	13032UFS2 13032UGC6	13080SVU5 13080SWF7	77781PDM6 77781PDW4
13033LR58 13033LS32	13032UFT0 13032UGD4	13080SVV3 13080SWG5	77781PDX2

Description of Material Event Notice/Financial Information (Check One):

1. ☐ Principal and interest payment delinquencies
2. ☐ Non-payment related defaults
3. ☐ Unscheduled draws on debt service reserves reflecting financial difficulties
4. ☐ Unscheduled draws on credit enhancements reflecting financial difficulties
5. ☐ Substitution of credit or liquidity providers, or their failure to perform
6. ☐ Adverse tax opinions or events affecting the tax-exempt status of the security
7. ☐ Modifications to rights of security holders
8. ☐ Bond calls
9. ☐ Defeasances
10. ☐ Release, substitution or sale of property securing repayment of the securities
11. ☐ Rating changes
12. ☐ Failure to provide annual financial information as required
13. ☐ Other material event notice
14. ☒ Financial information (not to be filed with the MSRB): Please check all appropriate boxes

CAFR ¹: a. ☒ includes Annual Financial Information ☐ does not include Annual Information
b. Audited? Yes ☒ No ☐

Operating Data

Period Covered: 12 months ended December 31, 2018

I hereby represent that I am authorized by the Obligated Person to distribute this information publicly:

Signature: _____

Name: Joseph A. Reppert

Title: Executive Vice President and CFO

Employer: Adventist Health System/West

Address: 2100 Douglas Blvd.

City, State, and Zip Code: Roseville, CA 95661

Voice Telephone Number: 916.406.1377

Adventist Health System/West
Annual Report: December 31, 2018
Per Continuing Disclosure Certificates:
CSCDA 2007 Series A
CHFFA 2009 Series B and C
Multnomah County, OR HFA 2009 Series A
CHFFA 2013 Series A
Adventist Health System/West Taxable Bonds 2013
CSCDA 2015 Series A
CHFFA 2016 Series A
Roseville Finance Authority 2017 Series B

<u>Certificate Reference</u>	<u>Requirement</u>	<u>Location</u>
Section 3(c)(2)*	Long-term debt disclosure	Tab "Financial Ratios"
Section 3(c)(3)*	Statement regarding accounts receivable liens	Tab "Financial Ratios"
Section 4(a)	Audited combined financial statement	Tab "AH 2018 Audited Financials"
Section 4(b)(1)	Summary Listing of Hospitals	Tab "Operating/Utilization Statistics"
(2)	Combined Summary of Revenues & Expenses Note that 5.8% of Revenues are from entities outside of the Obligated Group	Tab "AH 2018 Audited Financials"
(3)	Combined Balance Sheet Note that 3.3% of Assets are from entities outside of the Obligated Group	Tab "AH 2018 Audited Financials"
(4)	Debt Service Coverage and Capitalization	Tab "Financial Ratios"
(5)	Payor Mix – Obligated Group	Tab "Operating/Utilization Statistics"
(6)	Utilization Statistics – Obligated Group	Tab "Operating/Utilization Statistics"
(7)	Operating Statistics – Obligated Group	Tab "Operating/Utilization Statistics"
Section 4(c)	Combining financial statements	Tab "AH 2018 Audited Financials"

*Does not apply for CSCDA 2015A and CHFFA 2016A



Consolidated Financial Statements
and Supplementary Information

Adventist Health System/West

Year Ended December 31, 2018 with
Report of Independent Auditors



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Report of Independent Auditors

The Board of Directors
Adventist Health System/West

We have audited the accompanying consolidated financial statements of Adventist Health System/West (Adventist Health), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Adventist Health System at December 31, 2018 and 2017, and the consolidated results of its operations and changes in net assets, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

March 29, 2019

Adventist Health

Notes to Consolidated Financial Statements – Continued

(In millions of dollars)

Note O – FEMA Financial Grants

Several of the System's hospitals are located in areas of frequent earthquake activity and have sustained damage from earthquakes in the past. Three System hospitals received \$156 of grant funds from the Federal Emergency Management Agency (FEMA) for repair of damage and seismic structural upgrades, and all of these funds were recorded in the accompanying consolidated financial statements in years prior to 2018.

Prior to 2018, FEMA grant funds received for capitalized expenditures were accounted for as an exchange transaction and are reported as deferred revenue in other noncurrent liabilities. In 2018, all remaining conditions related to the receipt of the FEMA funds were met and the remaining \$84 was recognized in other revenue.

Note P – Discontinued Operations

In April 2017, management committed to a plan to either transfer the assets of Walla Walla General Hospital (WWGH) to another healthcare entity or to discontinue operating the hospital and sell its nonfinancial assets. As a result of this plan, operations ceased and WWGH was removed from the Obligated Group in July 2017. Accordingly, at December 31, 2017, all WWGH activity was reflected in the consolidated statements of operations and changes in net assets as a component of net loss from discontinued operations, and the applicable assets, primarily property and equipment, were reported in the consolidated balance sheets as assets held for sale. No further depreciation was recorded subsequent to the commitment date. All assets held for sale as of December 31, 2017 were sold in March 2018 for \$16. This sale did not result in any gain or loss subsequent to the initial losses included in discontinued operations in 2017.

Note Q – Adventist Health Tehachapi Valley

In 2016, the System entered into an agreement with Tehachapi Valley Healthcare District (the "District") to take over the operations of the District's hospital (Adventist Health Tehachapi Valley) for a period of 30 years, beginning November 1, 2016. The terms of the agreement resulted in the consolidation of Adventist Health Tehachapi Valley's financial statements into the System's financials statements. The agreement also included construction of a new hospital, which was completed and placed into service in November 2018, and is included in property and equipment on the accompanying consolidated financial statements for \$38.

Note R – Camp Fire Impact

In November 2018, the System's Adventist Health Feather River (AHFR) facilities in Paradise, California, and neighboring communities incurred extensive damage as a result of the Camp Fire. Since the Camp Fire, most of the AHFR properties, including the 100-bed acute care hospital, remain temporarily closed and non-operational as the System completes the damage assessments. These assessments may include the restoration of the properties to an operational condition, or determination of the plans associated with rebuilding properties that were fully or partially destroyed during the Camp Fire. The System is currently unable to provide any estimates of re-opening dates for the facilities, and it is expected that most of the facilities will continue to be closed for the foreseeable future. In the aggregate, these properties comprised approximately 4.8% of total revenues and support during the 12 months ended December 31, 2017.

Adventist Health

Notes to Consolidated Financial Statements – Continued

(In millions of dollars)

Note R – Camp Fire Impact (continued)

As discussed below, the System believes it is entitled to insurance recovery proceeds for substantially all the costs incurred related to the remediation, repair, and reconstruction of each of the impacted properties, subject to certain deductibles and other limitations. In addition, during the period that these properties are non-operational, the System believes it is entitled to business interruption insurance recoveries for the lost income related to these properties, subject to certain deductibles and other limitations.

At the time of the Camp Fire, the System maintained an insurance policy with an insurance company providing for total per occurrence aggregate coverage of \$1,000 subject to a one hundred twenty-five thousand dollars per-occurrence deductible with other limitations. This policy provides full replacement value coverage, with valuation under the policy based on the lesser of the cost to repair or replace on the same site with new materials of like size, kind, and quality. This also includes the costs to clean smoke and/or soot impacted buildings, equipment, and stock and supplies. Subject to certain limitations, the policy also includes provisions that allow for replacement on sites other than the current facility sites.

When all property insurance coverage and deductibles applicable to the above-mentioned Camp Fire damaged and destroyed buildings and assets are considered, the System believes it is entitled to the recovery of substantially all Camp Fire related expenses and reconstruction costs, less an aggregate net deductible. In addition, pursuant to the business interruption policy, we believe we are entitled to substantially all lost income at the impacted properties resulting from the Camp Fire. However, we can provide no assurance that we will ultimately collect, after satisfaction of the applicable deductibles, substantially all of the Camp Fire related expenses and reconstruction costs and the lost income resulting from the related interruption of business at the impacted properties.

As of December 31, 2018, the System has disposed of all fixed assets that were fully destroyed during the Camp Fire. The System has also written off current assets with a book value of \$4 primarily related to destroyed inventory. The System insurance recoveries and receivables recorded in the amount of \$32 related to recovery of expenses, primarily related to payroll and professional fees expenses and fire remediation and demolition expenses. As of December 31, 2018, the System received initial Camp Fire related insurance payments of \$30. These payments have been applied as an offset to the insurance recovery receivables recorded on the balance sheet. After the application of the \$30, there is a remaining \$2 in insurance recovery receivables included in other current assets. As of December 31, 2018, AHFR has property and equipment with a book value of \$34 that is currently non-operational as a result of the Camp Fire. Based on an impairment analysis, management does not believe these assets are impaired. However, based on the preliminary nature of the damage assessments and management's intentions with regard to reconstruction, there can be no assurance that a future impairment may not be recognized.

As of December 31, 2018, the System's financial statements do not include any business interruption insurance recoveries related to lost profits since no business interruption insurance proceeds were received as of that date for that purpose. The System has also not included any insurance recoveries for expected receipts above the book value of the assets recorded in the financial statements at the time of the loss. However, the System expects that business interruption and other insurance recoveries will be recognized in future periods when recovery proceeds are probable and/or insurance carrier notifications are received.

Adventist Health

Notes to Consolidated Financial Statements – Continued

(In millions of dollars)

Note R – Camp Fire Impact (continued)

The Camp Fire related expenses and insurance recoveries recorded to date are based upon the preliminary damage assessments of the real property at AHFR properties. The System is unable to assess the ultimate repair cost of the damaged property or the amount of total insurance recoveries it may ultimately receive. Although the System expects to receive additional Camp Fire related insurance proceeds in the future, the timing and amount of such proceeds cannot be determined at this time since it will be based upon factors such as ultimate replacement costs of damaged assets and the ultimate value of the business interruption claims. Therefore, in connection with the Camp Fire, it is likely that the System will record additional Camp Fire related expenses and insurance recoveries in future periods, which could be material.

Note S – Acquisition of The Fremont-Rideout Health Group

The System entered into an affiliation agreement with Fremont-Rideout Health Group, located in Marysville, California, to become the sole member of Fremont-Rideout Health Group (Rideout Health). This agreement was effective April 1, 2018. Rideout Health is comprised of Rideout Memorial Hospital and several other health businesses and community services in Marysville, California. This acquisition allowed the System the ability to provide expanded healthcare services in the Marysville, California market.

The fair value of assets acquired and liabilities assumed at the acquisition date consisted of the following:

Assets acquired:

Cash and cash equivalents	\$ 33
Patient accounts receivable	38
Prepays and other current assets	73
Assets whose use is limited	85
Property and equipment	385
Other assets	8
	<u>\$ 622</u>

Liabilities assumed:

Accounts payable and accrued compensation	\$ 74
Long-term debt	134
Other liabilities	12
	<u>220</u>

Net assets without donor restrictions:

Controlling	390
Noncontrolling	12
	<u>402</u>
	<u>\$ 622</u>



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Report of Independent Auditors on Supplementary Information

The Board of Directors
Adventist Health System/West

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating financial statement schedules for Adventist Health System/West is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Ernst & Young LLP

March 29, 2019

Adventist Health
Consolidating Statements of Operations and Changes in Net Assets
(In millions of dollars)
Year Ended December 31, 2018

	Consolidated Balances	Adjustments and Eliminations	Adventist Health System Office	Adventist Health Bakersfield	Adventist Health Castle	Adventist Health Clear Lake	Adventist Health Feather River	Adventist Health Glendale	Adventist Health Hanford	Adventist Health Howard Memorial	Adventist Health Lodi Memorial
Revenues and support:											
Patient service revenue	\$ 3,994	\$ (114)	\$ —	\$ 410	\$ 168	\$ 96	\$ 186	\$ 455	\$ 296	\$ 57	\$ 248
Premium revenue	164	—	—	—	2	11	—	—	18	5	3
Other revenue	265	(362)	388	5	12	4	18	45	6	4	5
Net assets released from restrictions for operations	11	—	2	—	1	—	—	2	1	—	—
Total revenues and support	4,434	(476)	390	415	183	111	204	502	321	66	256
Expenses:											
Employee compensation	1,984	(130)	269	159	81	43	80	198	125	30	110
Professional fees	498	—	46	25	8	19	27	26	24	8	33
Supplies	580	—	(22)	74	33	7	33	64	40	9	32
Purchased services and other	1,018	(346)	153	126	47	25	53	165	84	13	61
Interest	54	(1)	13	3	1	2	2	6	7	1	4
Depreciation and amortization	183	—	26	14	7	3	6	17	13	5	12
Total expenses	4,317	(477)	485	401	177	99	201	476	293	66	252
Income from operations	117	1	(95)	14	6	12	3	26	28	—	4
Nonoperating income:											
Investment income	37	(1)	1	3	2	—	1	1	5	—	1
Gain on acquisition and divestitures	399	—	—	—	—	—	—	—	—	—	—
Other nonoperating losses	(9)	—	1	—	—	—	—	—	—	—	—
Total nonoperating income	427	(1)	2	3	2	—	1	1	5	—	1
Excess (deficiency) of revenues over expenses from continuing operations	544	—	(93)	17	8	12	4	27	33	—	5
Less: excess (deficiency) of revenues over expenses from noncontrolling interest	14	—	—	—	—	—	—	(1)	—	—	—
Excess (deficiency) of revenues over expense from controlling interests	\$ 530	\$ —	\$ (93)	\$ 17	\$ 8	\$ 12	\$ 4	\$ 28	\$ 33	\$ —	\$ 5

See accompanying auditors' report on supplementary information.